



# **In Brief:**

## **Assessing DOD's New Strategic Guidance**

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On January 5, 2012, President Obama announced new defense strategic guidance entitled “Sustaining U.S. Global Leadership: Priorities for 21<sup>st</sup> Century Defense.”<sup>1</sup> This new guidance is significant because it is explicitly intended to reshape future Department of Defense (DOD) priorities, activities, and budget requests for the next decade. While the guidance is intended to steer DOD decision-making as it reduces defense spending by about \$487 billion over the next 10 years, to meet the initial budget caps set in the Budget Control Act (BCA) of 2011, it does not account for the possibility of sequestration—further significant, across-the-board cuts that could be required pursuant to implementation of the BCA. Defense officials have stated that, were they directed to find an additional \$500 billion in cuts, this guidance would not apply, and DOD would have to shed “missions and commitments and capabilities that we believe are necessary to protect core U.S. national security interests.”<sup>2</sup> This CRS report highlights and analyzes key strategic-level issues raised by the new guidance.<sup>3</sup> The report will not be updated.

## What the Guidance Says

The new defense guidance, written as a blueprint for the joint force of 2020, emphasizes

- a shift in overall focus from winning today’s wars to preparing for future challenges;
- a shift in geographical priorities toward the Asia and the Pacific region (hereinafter, “Asia Pacific”) while retaining emphasis on the Middle East;
- a shift in the balance of missions toward more emphasis on projecting power in areas in which U.S. access and freedom to operate are challenged by asymmetric means (“anti-access”) and less emphasis on stabilization operations, while retaining a full-spectrum force;
- a corresponding shift in force structure, including reductions in Army and Marine Corps endstrength, toward a smaller, more agile force including the ability to mobilize quickly; and
- a corresponding shift toward advanced capabilities including Special Operations Forces, new technologies such as intelligence, surveillance and reconnaissance (ISR) and unmanned systems, and cyberspace capabilities.

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<sup>1</sup> See Department of Defense, Sustaining U.S. Global Leadership: Priorities for 21<sup>st</sup> Century Defense, January 2012, available at [http://www.defense.gov/news/Defense\\_Strategic\\_Guidance.pdf](http://www.defense.gov/news/Defense_Strategic_Guidance.pdf), hereinafter “Guidance”; Department of Defense, Defense Strategic Guidance Briefing from the Pentagon, January 5, 2012, available at <http://www.defense.gov/transcripts/transcript.aspx?transcriptid=4953>, hereinafter “Guidance Briefing”; and Department of Defense, Defense Strategic Guidance Media Roundtable at the Pentagon, January 5, 2012, available at <http://www.defense.gov/transcripts/transcript.aspx?transcriptid=4954>, hereinafter “Guidance Roundtable.”

<sup>2</sup> Budget Control Act of 2011, P.L. 112-25, August 2, 2011, see §101 and §302, which amended §251 of the Balanced Budget and Emergency Deficit Control Act of 1985. See Guidance Briefing.

<sup>3</sup> For in-depth analysis of specific defense issues, including the implications of this strategic guidance, please contact analysts in the Defense Budget and Defense Policy sections at CRS’s Foreign Affairs, Defense and Trade Division.

## Background

The guidance, and the review process that produced it, were initiated by President Obama's direction to DOD, in April 2011, to identify \$400 billion in "additional savings" in the defense budget, as part of a broader effort to achieve \$4 trillion in deficit reduction over 12 years. The President indicated from the outset that the search for savings should be driven by strategic considerations.<sup>4</sup> In May 2011, then-Secretary of Defense Gates stressed that the review would help "ensure that future spending decisions are focused on priorities, strategy, and risks, and are not simply a math and accounting exercise." He warned against identifying savings by simply "taking a percentage off the top of everything"—in his words, "salami-slicing"—because that approach would result in "a hollowing-out of the force."<sup>5</sup>

In August 2011, new Secretary of Defense Panetta confirmed that DOD was implementing the President's April guidance by conducting a "fundamental review." He added that key questions in the review included: "What are the essential missions our military must do to protect America and our way of life? What are the risks of the strategic choices we make? What are the financial costs?"<sup>6</sup> U.S. officials have stressed that while the fiscal crisis had made the conduct of the review more urgent, changes in the global security environment and in U.S. commitments—particularly in Iraq and Afghanistan—would have necessitated a strategic shift in any case.<sup>7</sup>

The new guidance document states several times that it is designed to implement the U.S. National Security Strategy.<sup>8</sup> However, the conduct of this review, which had no congressional mandate, took place outside of the usual frameworks for crafting U.S. and DOD strategic guidance, including the Quadrennial Defense Review (QDR) and defense strategy.<sup>9</sup>

The new defense guidance and related official commentary about it underscore the importance of "the unique global leadership role of the United States."<sup>10</sup> The guidance does not, however, describe the scope or scale of the "leadership" role it prescribes.

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<sup>4</sup> President Barack Obama, "Remarks by the President on Fiscal Policy," The George Washington University, Washington, D.C., April 13, 2011, available at <http://www.whitehouse.gov/the-press-office/2011/04/13/remarks-president-fiscal-policy>. The President called for "a fundamental review of America's missions, capabilities, and our role in a changing world," and stressed that he personally would "make specific decisions about spending" upon completion of the review.

<sup>5</sup> Secretary of Defense Robert Gates, Remarks at the American Enterprise Institute, Washington, D.C., May 24, 2011, available at <http://www.defense.gov/speeches/speech.aspx?speechid=1570>.

<sup>6</sup> Secretary of Defense Leon Panetta, Meeting Our Fiscal and National Security Responsibility, August 3, 2011, available at [http://www.defense.gov/home/features/2011/0711\\_message1/](http://www.defense.gov/home/features/2011/0711_message1/).

<sup>7</sup> Guidance Briefing.

<sup>8</sup> See President Barack Obama, National Security Strategy, May 2010.

<sup>9</sup> Law requires that the President submit to Congress a national security strategy (NSS) every year; that DOD submit a QDR report, consistent with the NSS and containing a national defense strategy, every four years; and that the Chairman of the Joint Chiefs of Staff submit a national military strategy every two years. See National Security Act of 1947, P.L. 80-235, Section 108, as amended by the Goldwater-Nichols Department of Defense Reorganization Act of 1986, P.L. 99-433, Section 603; Title 10, U.S. Code, §118, as amended by the National Defense Authorization Act (NDAA) for Fiscal Year 2000, P.L. 106-65 and subsequent legislation; and Title 10, U.S. Code, Section 153, as amended by the National Defense Authorization Act for Fiscal Year 2004, November 24, 2003, P.L. 108-136, Section 903. See also CRS Report R41250, *Quadrennial Defense Review 2010: Overview and Implications for National Security Planning*, by Stephen Daggett.

<sup>10</sup> Guidance Briefing.

## Issues

### Priorities

The title of the new guidance—"Priorities for 21<sup>st</sup> Century Defense"—reflects the intent, confirmed by President Obama, to base the guidance on "a smart, strategic set of priorities."<sup>11</sup> The new guidance prioritizes in the sense of naming a list of 10 priority missions, and pointedly excluding others. The list is not numbered; defense officials have indicated that the missions are presented in "loose, not strict" priority order.<sup>12</sup> The 10 include the following.

- counter terrorism (CT) and irregular warfare;
- deter and defeat aggression;
- project power despite anti-access/area denial challenges;
- counter weapons of mass destruction (WMD);
- operate effectively in cyberspace and space;
- maintain a safe, secure, and effective nuclear deterrent;
- defend the homeland and provide support to civil authorities;
- provide a stabilizing presence;
- conduct stability and counterinsurgency operations; and
- conduct humanitarian, disaster relief, and other operations.<sup>13</sup>

On the surface, the list of missions alone does not differ very strikingly from past strategic guidance. The 2010 QDR named six priority missions, including defend the homeland; succeed in counterinsurgency and counterterrorism; build partner capacity; deter and defeat aggression in anti-access environments; counter WMD; and operate effectively in cyberspace.<sup>14</sup>

However, some changes seem apparent, reflecting the overall shifts in emphasis that underpin the new guidance. Shifting DOD's geographical focus, the new guidance calls for maintaining focus on the Middle East, and it echoes the "deliberate and strategic decision" recently announced by President Obama and Secretary of State Clinton to turn more U.S. attention to the Asia Pacific, pointedly including South Asia and the Indian Ocean.<sup>15</sup> Accordingly, the priority list invokes concerns with "states such as China and Iran" to stress the need to be able to project power in areas where U.S. access is challenged. Shifting focus from today's to tomorrow's challenges, the new guidance and the official commentary surrounding it downplay the importance of COIN,

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<sup>11</sup> Ibid.

<sup>12</sup> Vice Chairman of the Joint Chiefs of Staff ADM Winnefeld, Briefing to House of Representatives Staff, January 9, 2012.

<sup>13</sup> See Guidance, pp. 4-5.

<sup>14</sup> Department of Defense, Quadrennial Defense Review, February 2010, p. 2.

<sup>15</sup> President Barack Obama, Remarks by President Obama to the Australian Parliament, Canberra, Australia, November 17, 2011, available at <http://www.whitehouse.gov/the-press-office/2011/11/17/remarks-president-obama-australian-parliament>. Secretary Hillary Clinton, "America's Pacific Century," Foreign Policy, November 2011, available at [http://www.foreignpolicy.com/articles/2011/10/11/americas\\_pacific\\_century?page=full](http://www.foreignpolicy.com/articles/2011/10/11/americas_pacific_century?page=full).

noting that its future use is expected to be “limited” and that COIN requirements will not be used to size the future force.<sup>16</sup>

Some critics have argued that the guidance falls short by failing to rank the 10 priorities in order of importance. In principle, ranked priorities—as presented, for example, in DOD’s classified, internal *Guidance for the Employment of the Force*—can help Services and components implement guidance, either operationally or institutionally, and can provide a clear basis for helping external audiences, including Congress, understand the rationale for tough decisions now and in the future.

Key questions concerning priorities might include the following.

- Are the 10 missions highlighted by the new guidance the most appropriate top priorities for DOD? Is 10 too many? Are there any missions that have been excluded that ought to be part of the list?
- To what extent is the prioritization among the 10 priority areas clearly and commonly understood throughout DOD? To the extent that overall prioritization may have different implications for different military services and agencies, to what extent do they clearly understand how the priority list applies to them?
- To what extent do this priority list, and the relative weights of the 10 issues, force new trade-offs?
- What if anything does the guidance’s assertion that only 4 of the 10 priority missions—counter-terrorism, deterring and defeating aggression, countering WMD, and homeland defense—will be used to size the force, indicate about the relative priority of the 10 missions?

## **Force Planning Construct**

Traditionally, the Department of Defense has made use of a force planning construct (FPC)—a shorthand statement of the number and type of missions the force is expected to be able to accomplish simultaneously, used to shape and size the force. While FPC debates tend to focus on major contingencies, an FPC also takes into account ongoing (or “steady-state”) activities such as homeland defense and deterrence. The new guidance does not provide a simple FPC shorthand. According to DOD officials, the guidance is based on these premises:

- The United States will continue to be able to meet future national security challenges, including simultaneous ones. The question is not “whether” challenges can be met, but rather “how.”
- Given the likely nature of those challenges, as well as budgetary constraints, DOD is rethinking the ways in which those challenges will be met—advanced technology is a far more likely means than a large land invasion.
- The future force will be shaped and sized to conduct simultaneously one “full Monty”<sup>17</sup> effort to defeat an adversary—a combined arms campaign across all

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<sup>16</sup> Guidance, p.6; and Briefing by Deputy Secretary of Defense Carter and Vice Chairman of the Joint Chiefs of Staff Admiral Winnefeld, January 9, 2012, Washington D.C.

<sup>17</sup> Vice Chairman of the Joint Chiefs of Staff Admiral Winnefeld, Hill Briefing, Washington D.C., January 9, 2012.

domains, including a large-scale ground operation—and a second effort, to deny an aggressor's objective or impose unacceptable costs, as well as smaller additional missions, with “acceptable” risk.<sup>18</sup>

This new guidance is best characterized as an “evolution” from previous FPCs, rather than a sharp departure from a standing “two major contingency operation” construct. The 2001 QDR introduced the parsimonious “1-4-2-1” construct, in which the force should be able to defend the homeland; operate in and from four forward regions of the world; swiftly defeat adversaries in two overlapping military campaigns while preserving the option to win decisively one of those campaigns; and conduct humanitarian operations.<sup>19</sup> Subsequent QDRs, in 2006 and 2010, described a more complex global environment, a broader spectrum of potential adversaries, and a wider array of available capabilities. Accordingly, they described more complicated FPCs that had multiple possible combinations of simultaneous contingencies in addition to steady-state efforts.<sup>20</sup> Both preserved the ability to do more than one big thing at a time, but argued that both duration and risk would depend on the particular combination of contingencies.

On the surface, the guidance appears to call for doing less with less. Perhaps more accurately, the guidance seems to call for meeting a somewhat different mix of future challenges with a distinctly different mix and application of capabilities. In doing so, the guidance makes significant assumptions about the future global context. It includes willingness to assume some greater risk, without specifying the scope and scale of that risk, to accomplish simultaneous missions. And it calls for leveraging key factors including greater use of advanced technologies; institutional learning over the past 10 years; smarter use of the total force including the reserve component; and some reliance on partner capabilities.<sup>21</sup> Some observers have argued that the guidance will also require strong future leadership to manage a more agile force.

Key questions concerning the force planning construct might include the following.

- Does the lack of a simple shorthand statement for the force planning construct impede clear communication and understanding?
- How does DOD understand the difference between, on one hand, defeating an aggressor, and, on the other hand, “denying an aggressor the prospect of achieving his objectives and imposing unacceptable costs on the aggressor”? What is the difference if any in terms of requirements? Is U.S. strategic thinking rigorous enough, and is U.S. cultural understanding well-developed enough, to craft and execute the imposition of “unacceptable costs” on a given adversary?
- The guidance calls for scaling back stability operations but notes the need for related missions: irregular warfare, counterinsurgency, security force assistance, and humanitarian assistance. How will the total force retain those capabilities

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<sup>18</sup> Ibid., and Guidance p. 4.

<sup>19</sup> Department of Defense, Quadrennial Defense Review, September 30, 2001.

<sup>20</sup> Department of Defense, Quadrennial Defense Review, February 2006; and Department of Defense, Quadrennial Defense Review, February 2010. The 2010 QDR tested three scenarios, each including two to three major contingencies of different kinds—from regional aggressors, to stabilization, to catastrophes at home—as well as on-going, steady-state presence and deterrence activities. The scenarios stressed the force in different ways, with different implications in terms of time required to accomplish the missions.

<sup>21</sup> Hill Briefing by Deputy Secretary of Defense Carter and Vice Chairman of the Joint Chiefs of Staff Admiral Winnefeld, Washington D.C., January 9, 2012.

while to some extent de-emphasizing them? Does this mark a return to viewing such capabilities as “lesser included”—that is, skills that one naturally acquires as one learns to conduct major contingency operations? To what extent are military services considering adjusting force structure to include specialized forces for these purposes?

- What theory of deterrence writ large undergirds the new guidance? How can the capacity required to deter near-peer nuclear powers and dissuade aspirant states from pursuing nuclear weapons best be determined? How will the changes the guidance indicates for forward presence affect the logic of deterrence?
- To what extent is it sensible to think about advanced technology as a replacement for manpower? What opportunities, and what risks, does such a shift introduce?
- To what extent can the Reserve Component, utilized as an operational reserve, properly be considered fungible with the Active Component, and what opportunities, risks and constraints does that approach introduce?

## **Risk**

In rolling out the new guidance, DOD officials acknowledged that the strategy accepts some risk. Secretary Panetta noted, “Because we will be somewhat smaller, these risks will be measured in time and capacity,” and Vice Chairman of the Joint Chiefs of Staff Admiral Winnefeld cautioned against “departmental hubris” in predicting the future.<sup>22</sup> One of the major ways DOD is seeking to mitigate risk is by building in what the Administration is calling “reversibility”—that is, preserving the ability to reconstitute some capacity and capabilities that they are now giving up—in order to address future changes in the global context or requirements. The concept, officials note, applies to personnel, the defense industrial base, and science and technology investments.<sup>23</sup>

While the guidance claims to highlight associated strategic risks, it includes little if any cold, hard consideration of the nature and extent of risk assumed. When submitting the QDR report, DOD is required also to submit a Chairman’s Risk Assessment, prepared by the Chairman of the Joint Chiefs of Staff.<sup>24</sup> It might be reasonable for Congress to seek a risk assessment associated with the new guidance, broadly on the model of mandated QDR practice.

Key questions concerning risk might include the following.

- To what extent if any, and if so in what ways, does this guidance introduce greater risk—in terms of time, cost, casualties, likelihood of success—to DOD’s ability to meet more than one significant challenge at a time?
- Vice Chairman of the Joint Chiefs of Staff Admiral Winnefeld has cautioned against “departmental hubris”<sup>25</sup> in predicting the future. How much reliance does

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<sup>22</sup> Guidance Briefing, and Vice Chairman of the Joint Chiefs of Staff ADM Winnefeld, Briefing to House of Representatives Staff, January 9, 2012.

<sup>23</sup> See Guidance, and Guidance Roundtable.

<sup>24</sup> Title 10, U.S. Code, §118, as amended by the National Defense Authorization Act (NDAA) for Fiscal Year 2000, P.L. 106-65 and subsequent legislation.

<sup>25</sup> Vice Chairman of the Joint Chiefs of Staff ADM Winnefeld, Briefing to House of Representatives Staff, January 9, 2012.



the new guidance place on its assumptions concerning future global trends? How much and what kinds of risk would quite different global trajectories impose on DOD's ability to fulfill its mission to protect and defend the nation?

- To preserve the reversibility of reductions in ground forces, DOD plans to use a combination of mobilization and force regeneration, based on retaining sufficient senior non-commissioned officer and midgrade officers in rank structure as a backbone. What risks if any does this approach impose in terms of managing personnel, providing forces for ongoing missions, and responding to possible large future contingencies in a timely fashion?
- To preserve the reversibility of the defense industrial base, how well, and at what cost, can production lines for defense items be kept warm as DOD purchasing diminishes in scope and scale?

## **Engagement with International Partners**

The new guidance makes extensive use of the word “partnership,” calling repeatedly for continued efforts to work with, and build the capacity of, U.S. allies and partners. This emphasis on partnership echoes the strong focus on building partner capacity in both the 2006 and the 2010 QDR reports. The new guidance and official commentary surrounding it emphasize that partnership saves U.S. money and effort—it is “important for sharing the costs and responsibilities of global leadership.” In his cover letter, President Obama used military operations in Libya to illustrate “burden-sharing.”<sup>26</sup> The guidance also underscores the need, in a fiscally constrained climate, for “innovative, low-cost, and small-footprint” approaches.

What the guidance does not clarify is the rationale for engaging in partnership, in terms of both the mechanisms by which partnership produces measurable effects, and the desired ends in terms of the balance between saving U.S. resources and having a broader impact on the global arena.

Key questions concerning engagement and partnership might include the following.

- Is the goal of partnering to save money? To meet a greater array of challenges? To influence regional and global rules and norms? How much can partnering achieve in any of those arenas?
- How exactly does building the capacity and capabilities of U.S. partners lead, through their actions, toward outcomes that help protect U.S. national security interests? What is the best way to assess those outcomes?
- To what extent if any do more economical approaches toward partnering, including scaled-back global force posture, introduce risk in terms of the effects that partners achieve and the U.S. interests that their actions protect?
- What assumptions does the guidance make about the future capacity, capabilities, and political will of U.S. partners around the world?

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<sup>26</sup> Guidance, cover letter and p. 3.

## **Interagency Roles and Responsibilities**

To support the new defense guidance, Administration officials have called for strong diplomacy, development, and intelligence contributions as part of the overall national security effort. Introducing the guidance, President Obama noted that senior officials from the Departments of State, Homeland Security, and Veterans Affairs, as well as the intelligence community, had participated in the process.<sup>27</sup> That emphasis on interagency collaboration toward national security ends echoes recent defense guidance, as well as the May 2010 National Security Strategy, which devoted three pages to outlining a “whole of government approach.”<sup>28</sup>

One challenge may be that all U.S. government departments and agencies, not just DOD, are facing budget pressure, and are thus looking for opportunities to scale back rather than ramp up their efforts. Another challenge may stem from the view of many that interagency roles and responsibilities remain imbalanced—that civilian agencies are under-resourced for the roles they would appropriately play, while DOD has been resourced to fill in the gap. No such formal rebalancing has taken place.

Key questions concerning interagency roles and responsibilities might include the following.

- What assumptions does the guidance make about the roles other U.S. agencies will play? What would it cost those agencies to play those roles? How realistic are those assumptions under current fiscal constraints?
- To what extent is DOD ready to commit resources to building up the capacity of other U.S. agencies, and to catalyzing more effective integration of effort?

## **Final Word**

DOD officials have stated that the Obama Administration’s budget request for FY2013 will indicate the initial, tough programmatic choices that DOD leaders have made on the basis of the new guidance. As the Obama Administration’s guidance is intended to shape DOD’s strategic, operational, and budgetary decision-making for the next decade, the FY2013 debates may be only the thin end of the wedge. Congress may wish to consider framing its upcoming oversight activities in light of the anticipated broad application of the new defense strategic guidance.

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<sup>27</sup> Guidance Briefing.

<sup>28</sup> President Barack Obama, National Security Strategy, May 2010, pp. 14-16.